

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRICE CHANGES

Docket No. CP2020-5

**USPS RESPONSE TO CHAIRMAN'S INFORMATION REQUEST NO. 1,
WITH MATERIALS FILED UNDER SEAL**
(October 29, 2019)

The United States Postal Service hereby provides its response to Chairman's Information Request No. 1, which was issued on October 22, 2019. A response was due by October 29, 2019. Each public question is reprinted verbatim in the attached, and is followed by the Postal Service's response. Responses to the remaining nonpublic questions are being filed under seal. The Postal Service herein incorporates by reference its Application for Non-Public Treatment in this docket for the protection of the material filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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1. The Postal Service states: "For Priority Mail Express, Priority Mail, Parcel Select, and First-Class Package Service customers, a \$0.20 Unmanifested [Electronic Verification System (eVS)] Fee will be introduced to discourage instances of unmanifested commercial parcels, reduce occurrences of lower postage assessments, and offset additional reconciliation, manual processes, and operational costs." Notice at 2.
 - a. What percentage of total Priority Mail Express, Priority Mail, Parcel Select, and First-Class Package Service volume is estimated to be charged the \$0.20 Unmanifested eVS fee?
 - b. Please describe the process for determining whether a parcel should be charged the Unmanifested eVS fee.
 - c. Please describe the process for the collection of the Unmanifested eVS fee once a parcel has been classified as an unmanifested parcel.
 - d. Please provide an estimate of revenue loss and total costs caused by instances of unmanifested commercial parcels, occurrences of lower postage assessments, and manual processes in FY 2018.
 - e. Please provide an estimate of projected revenue and cost savings due to the introduction of the \$0.20 Unmanifested eVS fee.

RESPONSE:

- a. The percentage of total volume for Priority Mail Express, Priority Mail, Parcel Select, and First-Class Package Service estimated to be charged the Unmanifested Fee is 0.08 percent. The percentage by product is broken down as follows:
 - Priority Mail Express: 0.83%
 - First-Class Package Service: 0.41%
 - Parcel Select: 0.0036%
 - Priority Mail: 0.46%
- b. eVS parcels that receive a scan and cannot be associated with any eVS manifest for payment are flagged as unmanifested. At the end of the month, any mailer with an unmanifested percentage above the threshold will be assessed the \$0.20 fee on all unmanifested packages. We will set the initial threshold at four percent. As a note, any packages assessed this fee that have also been assessed for IMpb non-compliance will

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be removed from the IMpb calculation to ensure that only one fee will be charged for each package.

c. The unmanifested fee will be collected as part of the monthly eVS reconciliation process.

d. The total cost due to unmanifested parcels is estimated to be \$96,000 annually.

e. The estimated additional revenue from the unmanifested fee is \$135,000 annually.